

**Montana Medicaid for Workers with Disabilities
Enrollment and Premium Trends**

Premium Numbers:

	FPL	150-200%	200-250%	0-100%	100-150%	
July-10	\$125 level	\$175 level	\$35 level	\$75 level	Grand Total	
Count of Line Amt	5	1	2	15		23
total for July is \$1,995						

August-10	\$125 level	\$175 level	\$35 level	\$75 level	Grand Total	
Count of Line Amt	8	3	29	54		94
total for August is \$6,590						

September-10	\$125 level	\$175 level	\$35 level	\$75 level	Grand Total	
Count of Line Amt	16	3	47	80		146
total for September is \$10,170						

October-10	\$125 level	\$175 level	\$35 level	\$75 level	Grand Total	
Count of Line Amt	19	3	69	73		164
total for October is \$10,790.30						

November-10	\$125 level	\$175 level	\$35 level	\$75 level	Grand Total	
Count of Line Amt	27	3	59	112		201
total for November is \$14,365						

December-10	\$125 level	\$175 level	\$35 level	\$75 level	Grand Total	
Count of Line Amt	16	0	68	75		
	\$100 level	\$135 level		\$67 level		
Count of Line Amt	11	1		63		234
total for December is \$15,461						

Enrollment Numbers:

July-10	22 (3 new to Medicaid)
August-10	96 (3 new to Medicaid)
September-10	152 (5 new to Medicaid)
October-10	198 (4 new to Medicaid)
November-10	228 (6 new to Medicaid)
December-10	255 (15 new to Medicaid)

Cost shares received and end of month enrollments will likely never reconcile exactly. When lower, some individuals either did not pay their cost share and complete the second step for issuance or they paid early in the previous month so won't appear in the fiscal number above.

Total premiums collected July 2010 through December 2010 is \$59,371.30

GF amount appropriated for FY 2010-2011 is \$99,176

Premiums collected in first six months of program total 59.8% of GF amount appropriated for FYs 10-11



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HB 6

Support Big Sky Rx

Prescription Drug Assistance for Seniors

Big Sky Rx has established itself as a popular program and a valuable component of senior services that helps reduce health care costs and increase quality of life for low income elders. Please consider the following points:

- Big Sky Rx helps some of our neediest seniors pay for prescription drugs. Big Sky Rx currently helps nearly 11,000 seniors pay for Medicare Part D Rx coverage. These Montanans have incomes between zero and 200% FPL (that's \$29,140/year for a couple). In fact 47% of recipients are below 150% FPL. These are people living on the margin who will probably not buy prescription drug coverage if not for Big Sky Rx.
- National health care reform will do little for these seniors regarding the cost of prescription drugs. Although the doughnut hole will close by 2020, if these seniors are not on a Part D plan due to cost, closing the donut hole is irrelevant. Big Sky Rx helps low income seniors pay for a Part D plan.
- Big Sky Rx saves money because people who don't have drug coverage cost the health care system much more. Patients who cut pills or don't fill subscriptions have higher rates of hospitalization and may account for wasting around 13% of total health care expenditures, according to the New England Healthcare Institute. Seniors on Big Sky Rx have less concern about paying for drugs so taking meds as prescribed is more likely.
- Our members still say paying for drugs is a top concern for them. In 2004 when seniors voted to approve an increase in the tobacco tax it was because they wanted a program to help them pay for prescription drugs as was specified in the initiative. **Last year, the cost of brand name drugs went up 8.3% when general inflation went down .03%.** No one saw an increase in their Social Security check. It's no wonder that seniors continue to be worried about paying for pharmaceuticals.
- Medicare beneficiaries with incomes at or below 200% of FPL need assistance obtaining necessary prescription drugs. **Average out of pocket costs for Medicare beneficiaries in 2011 are projected to be \$5,114 per person¹. For a couple at 200% FPL, average medical costs consume over 1/3 of their total income. For a couple at 151% FPL, average medical costs exceed 45% of their total income.** Without Big Sky Rx, a couple on Medicare will have to pay \$902 per year for the Part D premium. Some will simply be unable to pay the premiums and, as a result, they will lose access to necessary medications.
- Big Sky Rx is a savings for Medicaid. Today's low-income Medicare population will be tomorrow's Medicaid population without Big Sky Rx. Someone without drug coverage will either pay full retail or likely go without medicine increasing their chance of expensive care. This will increase the number of individuals who spend down to Medicaid income levels. Cost reductions achieved by cutting the number of individuals who now receive Big Sky Rx will likely be exceeded by increased Medicaid costs in short order. As reported by legislative staff, the Montana Medicaid program experienced savings when seniors went on Medicare Part D coverage. Big Sky Rx keeps 11,000 low income seniors on Part D and not a cost to Medicaid.

¹ Medicare Out-Of-Pocket Costs, Eliot Fishman, Dennis Shea and Suzanne Tamang, Commonwealth Fund, 2008, page 14; http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2008/Mar/Medicare%20Out%20of%20Pocket%20Costs%20Can%20Private%20Savings%20Incentives%20Solve%20the%20Problem/Fishman_Medicareout%20of%20pocketcosts_1113%20pdf.pdf

Chairman Roberts and Members of the Committee:

My name is Eileen Sansom and I work for Missoula Aging Services, the Area Agency on Aging for Missoula and Ravalli counties. Thank you for this opportunity to testify in favor of funding for the Big Sky Rx program.

Our State Health Insurance Counselors have helped many clients by enrolling them in the Big Sky Rx program. This assistance allows eligible seniors to receive all of the medications they need. The Big Sky Rx program literally helps seniors avoid having to choose between their medication and food. Here is an example of one of the many situations our counselors see.

Roy, age 94 and his wife Zelda, age 90 have lived in Montana their entire adult lives. Roy raised cattle in Malta before they moved to Missoula to be closer to their daughter; their son stayed home on the family ranch. As a retired rancher and veteran, Roy keeps himself busy taking care of Zelda. Roy and Zelda are no strangers to hard work and enduring hard times. At age 83 Zelda was diagnosed with Alzheimer's disease. Since then Roy has been her primary caregiver, making sure she is safe, preparing her meals and helping her in and out of the shower. Zelda is on several prescription drugs including namenda and Aricept to postpone the effects of Alzheimer's disease, and Norvasc, to keep her blood pressure down. Roy is healthy for 94; he takes one baby aspirin each day. Our SHIP Counselor understands his hardships: it's not easy being a caregiver.

Nor is it easy to support himself and his ailing wife on his income which is \$1,900 a month. After all Medicare and Supplemental Insurance deductions, their monthly income drops to \$1,367. Zelda's three medications cost \$521 per month. By enrolling in the least expensive plan, Roy will pay \$173 per month January through June, at which point Zelda will fall into the "coverage gap" and then Roy will pay \$303 per month for the cost of those three medications. For the entire year the out of pocket expense including monthly premiums and drug costs equal \$3,273. Roy also buys a drug plan

even though he takes no prescriptions. It costs Roy \$168 per year just to have drug coverage he may need in the future.

Roy and Zelda's social security is considered "too high" for them to qualify for any financial assistance other than the Big Sky Rx program – which will pay up to \$37.55 toward the monthly premium of each of their drug plans – it's not a lot in consideration of their cost for medication and drug insurance...but it is enough to give them the boost they need and deserve.

Roy and Zelda are hard-working, independent Montanans. Roy is also a veteran. We have served other seniors who have been hospitalized because they could not afford their medicine. These people and the other 11,000 Montana residents that use the Big Sky Rx program to help subsidize the cost of their medications and drug plans are counting on us to do the right thing. Let's not let them down. Please support the Big Sky RX program.

Thank you for your time and attention.

Respectfully submitted by

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